

ORIGINAL

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION C

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COMMISSIONERS

GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
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2012 SEP 13 P 12:31

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 13 2012



IN THE MATTER OF THE APPLICATION  
OF JOHNSON UTILITIES, L.L.C., DBA  
JOHNSON UTILITIES COMPANY, FOR  
APPROVAL OF A NEW NON-POTABLE  
WATER TARIFF.

DOCKET NO. WS-02987A-12-0350

EXCEPTIONS

On August 31, 2012, Utilities Division Staff ("Staff") filed a memorandum and recommended order ("Recommended order") regarding the proposed new Non-Potable Water Service Tariff ("Non-Potable Water Tariff") filed by Johnson Utilities, L.L.C. ("Johnson Utilities" or the "Company") in the above-captioned docket. Johnson Utilities supports Staff's recommendation that the Non-Potable Water Tariff be approved, but requests a modification to the Recommended Order, as discussed below.

In recommending approval of the Non-Potable Water Tariff, Staff stated as follows:

Staff believes that since the Company will take a loss on providing this particular service, that it be limited to the one current customer taking non-potable water. Staff recommends that no other customer be allowed this tariffed service without first being specifically approved by the Commission.<sup>1</sup>

In a response to a Staff data request in this docket, Johnson Utilities stated that it expects one other customer (in addition to the one current non-potable CAP water customer) will be interested in the new Non-Potable Water Tariff service.<sup>2</sup> This customer owns and operates an 18-hole golf course which currently receives treated effluent from the Company's San Tan wastewater treatment plant. Johnson Utilities

<sup>1</sup> Recommended Order at page 3, ¶ 8.

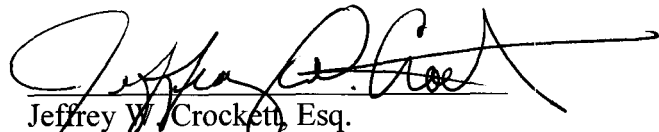
<sup>2</sup> Id. at page 2, ¶ 6, lines 23-25.

1 would like authority to offer the new Non-Potable Water Tariff service to this golf  
2 course customer in addition to the non-potable CAP water customer that has been taking  
3 service under the Company's Non-Potable CAP Water Service Tariff. Johnson Utilities  
4 has determined that any monetary loss associated with providing water service to two  
5 customers under the proposed Non-Potable Water Tariff would have no material adverse  
6 impact on the financial health of the Company, especially in light of the fact that usage  
7 under the new tariff will likely decrease over time as more lower-cost effluent becomes  
8 available in the Company's service area. Johnson Utilities supports the Recommended  
9 Order in all other respects.

10 For the Commission's convenience and consideration, Johnson Utilities has  
11 attached a proposed amendment addressing the requested correction. Representatives of  
12 the Company will attend the upcoming Open Meeting on September 19-20 to answer any  
13 questions that the Commission may have.

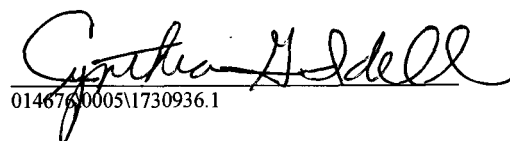
14 RESPECTFULLY submitted this 13<sup>th</sup> day of September, 2012.

15 BROWNSTEIN HYATT FARBER SCHRECK,  
16 LLP

17   
18 Jeffrey W. Crockett, Esq.  
19 One East Washington Street, Suite 2400  
20 Phoenix, Arizona 85004  
Attorneys for Johnson Utilities, L.L.C.

21 ORIGINAL and thirteen (13) copies of the  
22 foregoing filed this 13<sup>th</sup> day of September, 2012, with:

23 Docket Control  
24 ARIZONA CORPORATION COMMISSION  
25 1200 West Washington Street  
26 Phoenix, Arizona 85007

27   
28 0146760005\1730936.1

**PROPOSED AMENDMENT # 1**

DATE PREPARED: September 13, 2012

COMPANY: Johnson Utilities, L.L.C.

DOCKET NO.: WS-02987A-12-0350

OPEN MEETING DATES: September 19-20, 2012

AGENDA ITEM: U-

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Page 3, line 5,

AFTER the word "water" on line 5, INSERT "and the one other customer which the Company expects may be interested in the new service."

Page 3, line 28,

AFTER the word "Company" on line 28, INSERT "and the one other customer which the Company expects may be interested in the new service."

Make all other conforming changes.